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ABSTRACT

The General Accounting Office examined the effectiveness of the vocational rehabilitation program administered by the Department of Veterans' Affairs (VA) in helping disabled veterans obtain and maintain employment. Data were obtained from the following sources: analysis of the VA's nationwide database on all program applicants and their progress; site visits to four VA field offices; and interviews with officials of the VA and other agencies involved in rehabilitating disabled individuals. The VA's vocational rehabilitation program was determined to be focused on sending veterans to training rather than on finding them suitable jobs, and its relationships with other departments/agencies that offer job search activities were found to have yielded only limited job search assistance for disabled veterans. Of the 202,000 veterans (of 276,500 applicants) deemed eligible for the VA vocational rehabilitation program between October 1983 and February 1991, 142,600 (71%) later dropped out, 48,450 (24%) were still in the program, and 10,950 (5%) had been rehabilitated. It was concluded that existing VA standards for measuring service do not challenge VA staff to provide better service and that better VA management is needed to help disabled veterans find jobs. (Appended is a list of major contributors to the report.) (MN)

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United States General Accounting Office

GAO

Report to the Chairman, Committee on Veterans' Affairs, U.S. Senate

September 1992

ED 394 003

VOCATIONAL REHABILITATION

Better VA Management Needed to Help Disabled Veterans Find Jobs

CE071309

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GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-248897

September 4, 1992

The Honorable Alan Cranston
Chairman, Committee on Veterans' Affairs
United States Senate

Dear Mr. Chairman:

In response your request, we are reporting on the vocational rehabilitation program administered by the Department of Veterans Affairs. We examined how the program is achieving its primary goal of helping disabled veterans to obtain and maintain employment.

We are sending copies of the report to interested congressional committees, the Secretary of Veterans Affairs, the Director of the Office of Management and Budget, and other interested parties. We also will make copies available to others upon request.

If you have any questions concerning the report, please call me on (202) 512-7215. Other major contributors are listed in appendix I.

Sincerely yours,

Joseph F. Delfico

Joseph F. Delfico
Director, Income Security Issues

Executive Summary

Purpose

Millions of veterans have disabilities resulting from their service in the military. As a result, some need help in obtaining and maintaining employment. This report responds to concerns of the Chairman of the Senate Committee on Veterans' Affairs about how the Department of Veterans Affairs' (VA's) vocational rehabilitation program is achieving its primary goal of meeting this need. As part of the assessment, the Chairman asked GAO to (1) determine what happens to veterans who apply for services, giving special emphasis to why so many drop out of the program, and (2) evaluate VA's standards for measuring program success and for providing veterans with timely services.

Background

In 1943, Public Law 78-16 authorized the vocational rehabilitation program to provide training to veterans with service-connected disabilities. In 1980, the Congress enacted the Veterans' Rehabilitation and Education Amendments of 1980 (P.L. 96-466), which changed the program's focus to helping veterans find and maintain suitable jobs,[1] rather than just providing training to improve the veterans' employability. Veterans who obtain and maintain a suitable job are classified as "rehabilitated." VA spent $145 million in fiscal year 1991 to provide program services to about 35,000 veterans.

The vocational rehabilitation process has five phases. In the first phase, the veteran's application is received, eligibility established, and a meeting scheduled with a counselor. In phase two, a counselor determines if the veteran has an employment handicap, and if so, they jointly develop a rehabilitation plan. The veteran then moves into training (phase three) if needed or to employment service (phase four) if training is not needed or after training is completed. During phase four, VA, state agencies, the Department of Labor, and private employment agencies help the veteran find a job. In phase five, the veteran has found a suitable job and holds it for 60 days. (See p. 12.)

To determine what happens to veterans who apply for the program, GAO analyzed VA's nationwide data base that tracks each applicant's progress through the five phases. Program operations also were examined at four VA field offices. To evaluate VA's program standards, GAO obtained information on the timeliness, effectiveness, and quality standards and discussed their adequacy with officials of VA and other agencies involved in rehabilitating disabled persons. (See pp. 12-14.)

[1]A suitable job is defined by law as one consistent with the veteran's training or commensurate with the veteran's aptitudes, abilities, or skills.

Results in Brief

The vocational rehabilitation program is focused on sending veterans to training, not on finding them suitable jobs. GAO reported in 1984 that the program was not adequately emphasizing employment assistance.[2] However, VA did not finalize its procedures to implement the 1980 changes that established suitable employment as the veteran's ultimate objective under the program until August 1992. In addition, VA's relationships with the Labor Department and state agencies that offer job search activities have resulted in only limited job search assistance from these agencies.

Of the 276,500 veterans who applied for the VA vocational rehabilitation program during the period October 1983-February 1991, 202,000 were found eligible. Of that number:

- 142,600 (71 percent) later dropped out,
- 48,450 (24 percent) were still in the program, and
- 10,950 (5 percent) were rehabilitated.

Dropouts may occur because applicants change their mind about program services or because of problems encountered with program services. However, there is no easy way to identify why so many veterans drop out because VA has not accumulated and analyzed meaningful data on the reasons for dropouts. Therefore, VA is not in a good position to determine whether program changes are needed to help more veterans complete the program.

VA standards for measuring service to the veteran merely reflect VA's prior year's performance and do not appear to challenge VA staff to provide better service. Standards have not been established in some program areas where state rehabilitation programs have them. GAO believes that benchmarking[3] performance, rather than setting rigid standards, would allow VA managers to continually improve services to veterans and measure progress toward achieving program objectives.

[2]VA Can Provide More Employment Assistance to Veterans Who Complete Its Vocational Rehabilitation Program (GAO/HRD-84-39, May 23, 1984).

[3]Benchmarking is a process used to identify the best practices from industry and government to continually improve the services provided to clients, in this case veterans. Benchmarks are continually reviewed and updated. A benchmark can be a performance standard for any one year or for a number of years.

Principal Findings

VA Does Not Emphasize Finding Jobs for Veterans

Only 3 percent of veterans nationwide who receive a rehabilitation plan go directly from the evaluation and planning phase into the employment services phase, while 92 percent go into training programs. Three of the four field offices GAO visited were not emphasizing employment services. Rather, training was emphasized and employment services were not discussed until near the end of training. The fourth office began emphasizing employment as the program's main objective in the initial counseling session in 1985 and continued to do so. At that office, the number of rehabilitated veterans increased greatly between 1985 and 1990. By contrast, the number of rehabilitated cases did not increase at the other three offices. (See pp. 15-21.)

VA does little to train its vocational rehabilitation staff to provide employment services. Instead, it relies on more experienced staff to provide on-the-job training to newer staff. (See pp. 18 and 19.)

VA Does Not Know Why Most Veterans Drop Out of the Program

The reasons for veterans dropping out that are recorded in VA's data system and in the case files GAO examined at the field offices would not allow VA to determine to what extent dropouts are a problem or to take action to decrease the dropout rate. For example, most dropouts are recorded in the data system as "nonpursuit—veteran declines services" or "veteran discontinued services." Most of the case files GAO examined either did not contain the reason for the veteran dropping out, or the reasons recorded were not specific. More specific information on why veterans drop out could help VA identify areas in which it could improve services to veterans and areas beyond VA's control. (See pp. 23-26.)

Standards for Measuring Service to Veterans Need to Be Improved

VA's system for establishing standards for measuring service to veterans is to use actual performance during 1 year as the standard for the subsequent year. This system is not oriented toward providing veterans with timely, quality service, but toward showing that VA's performance is favorable in that it meets or exceeds standards. For example, in 1990 VA's nationwide average of 94 days from receipt of a veteran's application to the first meeting with a counselor was 1 day under VA's standard of 95 days. This standard was simply a reflection of VA's actual 1989 performance. VA officials and state and private rehabilitation experts acknowledge,

however, that 95 days on average is much too long for a veteran to wait to meet with a counselor. They suggest that about 30 days would be a reasonable time to wait.

Also, VA bases its measurement of program effectiveness on a goal of placing at least 65 percent of the veterans who complete the employment services phase in a suitable job within 265 days. This standard does not consider the fact that many veterans who enter the training phase will not reach the employment services phase.

Nor does VA have standards for measuring the effectiveness of its services to veterans in certain other program phases. Thus program managers do not know whether they are improving the quality of services to veterans in these areas. For example, VA lacks a standard for how much time should be spent in the evaluation and planning phase. The absence of a timeliness standard has caused VA staff to focus attention on a phase where a timeliness standard does exist, at the expense of providing timely services in areas where there are no standards. (See pp. 27-31.)

Recommendations

GAO recommends that the Secretary of Veterans Affairs

- implement the requirements of the 1980 amendments related to finding and maintaining suitable employment for disabled veterans (see p. 22);
- take the lead in developing with the Department of Labor an effective working arrangement for providing job placement services to disabled veterans (see p. 22);
- determine why so many veterans drop out before completing the program and take action to reduce the number of dropouts (see p. 26); and
- review the performance standards established for the vocational rehabilitation program and determine whether services to veterans can be improved by establishing a realistic performance measurement system, such as benchmarking, that clearly focuses on the program's objectives and continually measures progress toward achieving them (see p. 31).

Agency Comments

GAO requested written comments from the Secretary of Veterans Affairs on a draft of this report, but they were not provided. However, GAO discussed the draft report with VA program officials, who generally agreed with its content and suggested changes, which were incorporated as appropriate.

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Abbreviations

GAO	General Accounting Office
VA	Department of Veterans Affairs

Introduction

Millions of veterans have experienced physical and mental disabilities directly related to their service in the military. To help them, the United States adopted a national policy of providing vocational rehabilitation services to veterans with service-connected disabilities. This led to the authorization of the Department of Veterans' Affairs (VA's) vocational rehabilitation program. The current program, which stems from the World War II program authorized in 1943 (P.L. 78-16), was authorized in 1980 (P.L. 94-466). VA spent about $145 million in fiscal year 1991 to provide vocational rehabilitation services to about 35,000 disabled veterans and estimates that 1992 program costs will exceed $197 million.

Program Requirements Expanded in 1980

Before October 1980, the law defined vocational rehabilitation as training for the purpose of restoring employability lost as a result of a service-connected disability; assisting the veteran in obtaining and maintaining employment was authorized but not required. In 1977, Public Law 95-202 required VA to conduct a study designed to foster recommendations for legislative and administrative changes to the program. The resulting study recommended that the purpose of the vocational rehabilitation program include not only achievement of employability through training, but also the obtaining and maintaining of suitable employment. The President adopted the recommendations in his message to the Congress on October 19, 1978.

In response to the President's action, VA created a task force to redesign the vocational rehabilitation program. The task force's work led to the Veterans' Rehabilitation and Education Amendments of 1980 (P.L. 96-466), enacted on October 17, 1980. This law stated that the program's purpose was to provide for

"... all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment."

In addition, the 1980 amendments expressly mandated that VA provide program participants with assistance in obtaining and maintaining suitable employment.

We reported on VA's vocational rehabilitation program in 1980 and 1984. In our 1980 report, we pointed out that the program needed to be expanded

to ensure that veterans get suitable jobs as well as job training.[1] Our 1984 report emphasized that veterans still were not receiving adequate employment assistance, even though the program's objective had been expanded.[2]

Program Entitlement

A veteran is eligible for program services if he/she has a 20-percent service-connected disability and has been determined to have an employment handicap.[3] The eligibility period extends for 12 years, beginning on the date of the veteran's discharge, unless the date is deferred because the veteran was informed of the service-connected disability at a later date, or unless otherwise provided for by VA regulations. Veterans found eligible for vocational rehabilitation services can receive up to 48 months of benefits within the 12-year period.

While in the program, the veteran receives a subsistence allowance, and VA pays the service provider for school supplies, books, tuition, and other services and equipment that may be required for beginning employment. Most veterans receive on-the-job, technical school, or college training. Much of the training, especially college programs, requires several years to complete.

Program Operation

The Vocational Rehabilitation Service within the Veterans' Benefits Administration is responsible for developing overall policies and procedures for administering the vocational rehabilitation program. VA's 57 vocational rehabilitation and counseling field offices conduct daily program operations, including helping disabled veterans.

In the field offices, vocational rehabilitation staff include counseling psychologists (counselors), vocational rehabilitation specialists (rehabilitation specialists), and technical support personnel. A counselor assesses the veteran's need for program services and if a need is found, determines what services the individual should receive. A rehabilitation specialist monitors a veteran's progress until he/she gets a job or drops out of the program.

[1]New Legislation and Stronger Program Management Needed to Improve Effectiveness of VA's Vocational Rehabilitation Program (GAO/HRD-80-47, Feb. 26, 1980).

[2]VA Can Provide More Employment Assistance to Veterans Who Complete Its Vocational Rehabilitation Program (GAO/HRD-84-39, May 23, 1984).

[3]Public Law 101-508 (Nov. 5, 1990) increased the level of disability required for program entitlement from 10 to 20 percent. Veterans with a 10-percent service-connected disability who were already in the program or had previously applied for program services were grandfathered into the program.

VA's vocational rehabilitation process has five phases: application, evaluation and planning, employment training, employment services, and rehabilitated (see table 1.1).

Table 1.1: Phases of VA's Vocational Rehabilitation Program

Phase	Major activity
Application	VA field office receives application, establishes that veteran is eligible for services, and schedules counseling appointment.
Evaluation and planning	Counselor evaluates veteran for employment handicap; assesses veteran's aptitudes, skills, abilities, and interests; and develops a rehabilitation plan that generally includes training. A veteran who does not need training moves on to the employment services phase.
Employment training	Veteran pursues and completes training.
Employment services	Field office helps veteran develop an employment assistance plan and find a job.
Rehabilitated	Veteran obtains and maintains suitable employment for 60 days.[a]

[a]VA defines a suitable job as one consistent with the veteran's training or one that is commensurate with the veteran's aptitudes, abilities, or skills.

Objective, Scope, and Methodology

The Chairman of the Senate Veterans' Affairs Committee asked that we assess how well VA's vocational rehabilitation program is helping disabled veterans obtain and maintain employment. As part of this assessment, the Chairman asked that we (1) determine what happens to veterans who apply for services, giving special emphasis to why so many veterans drop out of the program, and (2) evaluate VA's standards for measuring program success and for providing timely services.

To examine program operations, we obtained and reviewed pertinent legislation, regulations, program operating procedures, and program management reports from VA's central office and field offices in Atlanta, Hartford, San Diego, and Seattle. Judging by various performance indicators used by VA, the four field offices had a diversity of performance. At the field offices, we examined program policies and procedures, reviewed case files of 25 participants,[4] and talked to some participants.

[4]At each field office, we randomly selected and reviewed 10 case files for veterans who dropped out of the program before entering training; 10 for veterans who dropped out during training; and 5 for veterans who were rehabilitated.

In doing so, we sought to identify potential procedural problems, obtain more detailed information on the reasons for dropping out of the program, and test the accuracy of the national data base.

Additionally, we talked with counselors, rehabilitation specialists, and the program director at each field office to obtain information about their duties and responsibilities and their views on the program's effectiveness. Program operations and potential problems were discussed with central and field office officials. We also visited selected state rehabilitation agencies and state agencies that operate the Department of Labor job search programs in the four states where the VA field offices were located. Our purpose was to examine their role in helping disabled veterans find suitable employment.

To determine what happens to veterans who apply for vocational rehabilitation services, we obtained and analyzed data from VA's nationwide computer system for the period October 1, 1983-February 28, 1991. The system contains information on all veterans who apply for vocational rehabilitation services. For a more complete picture of what happens to all veterans who apply for the program, we analyzed data for all applicants, including those subsequently found by VA to be ineligible. The system tracks the progress of each applicant through the program phases. From the system, we extracted recorded reasons as to why veterans dropped out of the program.

To evaluate VA's standards for measuring program effectiveness and for providing timely services, we identified and reviewed VA's standards for measuring program success. We obtained information from VA officials about how timeliness, effectiveness, and quality standards were established and solicited their opinions about the adequacy of the standards. Additionally, we obtained information on standards used by other agencies[5] involved in rehabilitating disabled persons. Where appropriate, we compared the standards with those established and used by VA. To determine to what extent VA was meeting its own standards, we compared them with VA-generated nationwide and individual field office performance data.

Although we requested written comments from the Secretary of Veterans Affairs on a draft of this report, they were not provided. We did, however, discuss the draft report with VA program officials, who generally agreed

[5]These included selected state rehabilitation centers in the four states we visited and the American Rehabilitation Counseling Association.

with its content and suggested changes, which we incorporated, as appropriate.

We did our field work between April 1991 and January 1992 in accordance with generally accepted government auditing standards.

VA Does Not Emphasize Finding Jobs for Veterans

The 1980 Veterans' Education and Rehabilitation Amendments specifically require that VA provide program participants with job placement services. VA, however, has not focused its vocational rehabilitation program on helping disabled veterans find and maintain suitable jobs. Training, the focus of the program before 1980, still is being emphasized over job placement. During the period October 1983-February 1991, VA classified only about 5 percent of all applicants found eligible for the program as rehabilitated.

It took VA more than 11 years after the amendments were enacted to finalize the section of its procedural manual implementing the 1980 changes that address employment assistance for veterans. Also, three of the four field offices that we visited continue to stress providing veterans with opportunities for training, but do not emphasize opportunities for obtaining and maintaining suitable employment. In addition, VA's relationship with some agencies that offer job search activities—such as the Department of Labor, state rehabilitation agencies, and contractors—has produced only limited job search assistance.

Job Placement Guidance Not Issued to Implement 1980 Legislation

The 1980 amendments made a significant change in VA's vocational rehabilitation program by requiring VA to assist veterans in obtaining and maintaining suitable employment. However, the section of VA's procedural manual on employment assistance was not finalized until August 1992, although VA did issue interim guidance on employment services in 1981.[1] This guidance emphasized the importance of finding a suitable job for the veteran and suggested that field offices begin employment planning as soon as a veteran's eligibility for the program services was established.

Officials at the four offices we visited said they were aware that the interim circular was issued shortly after the 1980 amendments, but that they rely on VA's procedural manual for guidance. If the procedural manual does not address an issue for which they need guidance, they said they use the legislation and implementing regulations, which are less specific than manual guidance.

[1]Department of Veteran Benefit Circular 28-80-3, App. P, Dec. 30, 1981.

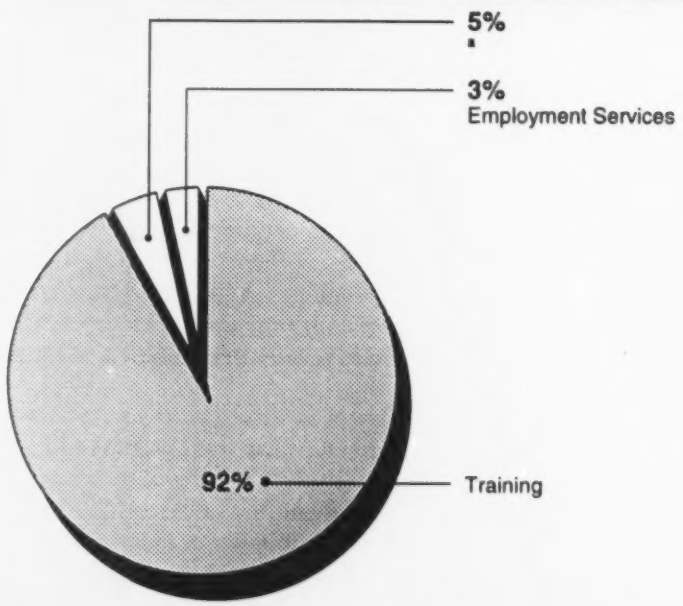
VA Personnel Do Not Focus on Job Placement Early in the Program

Field office counselors generally do not discuss job placement activities during evaluation and planning meetings with veterans, and rehabilitation specialists do not discuss such activities until near the end of training. At that point, most veterans have dropped out of the program (see ch. 3). This lack of emphasis on employment assistance, the inadequacy of training received by rehabilitation specialists in job placement activities, and the impact of staff workload on the provision of employment services are discussed below.

Emphasis Placed on Training Veterans, Not Finding Jobs

Only 3 percent of veterans who receive a plan go directly from the evaluation and planning phase into the employment services phase, while 92 percent go into training programs, as figure 2.1 shows.

Figure 2.1: What Happened to Veterans Who Continued in the Program After Evaluation and Planning? (1983-91)



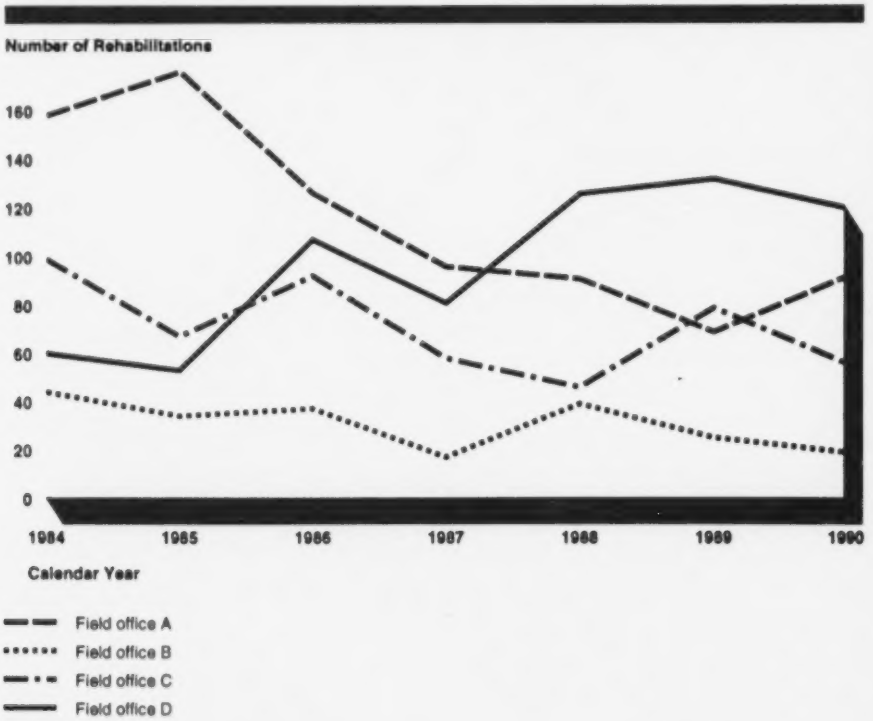
[a]Controlled Work Environment or Independent Living Program.

Source: VA's computerized data system, Oct. 1, 1983-Feb. 28, 1991.

At three of the four field offices we visited, counselors concentrated on placing veterans in training programs, and rehabilitation specialists concentrated on monitoring their progress while they were in training. Our review of counseling records showed that counselors in these offices did not emphasize job placement as the goal of the program.

In the fourth office, however, management began in 1985 to require that counselors stress from the beginning that finding a suitable job was the program's objective. Before developing a training plan, counselors often required the veteran to obtain information about the school, trade, profession, and job market for the program in which he/she was interested. By requiring veterans to become involved in employment activities at the start of the process, this office (D in figure 2.2) has increased its rehabilitated cases since 1985, a better record than the other three offices.

Figure 2.2: Vocational Rehabilitation Trends in the Four Field Offices (1984-90)



Source: VA's computerized data system.

Nationwide, the number of annual rehabilitations has remained relatively stable between 1984 and 1990. The Director of VA's Vocational Rehabilitation Service said that even though VA's central office has emphasized employment services since he became director in 1984, field staffs have been slow to change their "mindset" from just training veterans to helping them find and maintain a suitable job.

Staff Not Formally Trained to Emphasize Employment Services

At the four offices we visited, VA had done little to prepare its vocational rehabilitation and counseling staff to provide employment services. Instead, these offices relied on more experienced staff members to provide the newer ones with on-the-job training. Some rehabilitation specialists with whom we talked cited the lack of formal training in

employment services as a weak area. The rehabilitation specialists acknowledged that they need better training to provide more effective job placement services to veterans. At one field office, for example, only one of five rehabilitation specialists had received any formal employment services training, according to the director. This training consisted of a course offered by the Labor Department for representatives of its disabled veterans outreach program.[2] The Deputy Director for VA's Vocational Rehabilitation Service acknowledged that rehabilitation specialists often have few skills in providing employment services for veterans. To improve training in employment services, provision of employment services was made a major theme at a training workshop in March 1992 for regional VA rehabilitation and counseling officers, a Veterans' Benefits Administration official told us.

VA's criteria for rehabilitation specialists, the VA employees most responsible for helping veterans find suitable jobs, do not emphasize experience or training in job placement. In fact, rehabilitation specialists need have only a bachelor's degree in any discipline or 3 years of experience that provides general knowledge of training practices, techniques, and work requirements in one or more occupations. Various combinations of undergraduate study and general work experience also qualify an individual for this position.

Effect of Caseload on Staff's Ability to Help Veterans Find Suitable Jobs

Large caseloads together with limited resources also contribute to VA's failure to provide effective employment services to veterans, VA officials claim. However, we could find no evidence to support these claims. At the end of December 1991, the average nationwide workload[3] was 133 cases for counselors and 234 for rehabilitation specialists, VA records show.

Of the offices that we visited, the one that stressed job placement early in the process (office D in fig. 2.2) had the highest average caseload for counselors and rehabilitation specialists, as shown in table 2.1.

[2]Representatives of the disabled veterans outreach program employed by the Labor Department and stationed at field offices provide employment services to help disabled veterans obtain suitable employment. The services include job development and job placement activities.

[3]Includes both active and interrupted cases. Interrupted cases represent veterans whose program participation has been suspended by VA and who may or may not return to the program as an active participant at a later date.

Table 2.1: Average Caseload of Full-Time Employee Equivalent Counselors and Rehabilitation Specialists at Four VA Field Offices (Dec. 31, 1991)

Office	Caseload	
	Counselors	Specialists
A	190	239
B	164	301
C	159	262
D	265	320

Therefore, while caseload may contribute to VA's ability to provide veterans with adequate job placement services, at least in this case it did not preclude staff from providing such services.

VA's Use of Outside Job Search Agencies Varies Among Offices

Although VA has access to agencies offering job search services such as the Labor Department, state rehabilitation agencies, and private contractors, it does not always use the services of these agencies. The level of involvement and the amount of success that these agencies have in job placement activities depend greatly on the relationships between VA and the agencies.

Relationships Between VA and Labor Ineffective at Some Locations

In 1989, VA and Labor updated a national agreement that had been in existence for many years. The updated agreement provides for cooperation and coordination of services to assist in the "successful readjustment of veterans into civilian life." By March 1991, each of the four field offices that we visited had developed state-level agreements with Labor for rehabilitation and job placement assistance for VA's vocational rehabilitation clients. However, the resulting coordination and relationships between VA and Labor differed significantly among the four states. For example, two VA field offices frequently referred clients to Labor's disabled veterans outreach program representatives, while the other two offices rarely referred anyone.

The level of coordination of job placement activities between the two agencies seems to be dependent on staff relationships. In two offices, VA and Labor Department staffs openly communicated and understood what was expected of Labor Department representatives. For example, Labor representatives in these offices provided veterans with grooming tips, job referral information, and training in job search skills and interview preparation. In the other two offices, no such understanding existed.

Use of State Rehabilitation Services Varies Among Offices

Similarly, the VA field offices vary in their use of state rehabilitation agencies. Officials at four state rehabilitation agencies identified various support services available to VA's vocational rehabilitation clients. These services include job search and job placement activities, such as resume preparation, job availability information, and job referrals. However, depending on the relationship between VA and state agency staff, the level of coordination and provision of services varied greatly from one state to another. For example, at one state agency, officials acknowledged receiving very few referrals. But at another, one counselor assigned to the geographical area of the VA field office was managing 110 cases, of which about 60 percent were veterans referred from VA for job placement services, officials told us.

Some Offices Use Contract Agencies

VA has the authority to use contract agencies to help veterans find suitable employment, and three of the field offices we visited were doing so. One office relied greatly on contractors because of poor experience with Labor and state rehabilitation agencies. As of December 1991, it had referred 26 veterans for job placement, and the contractor had placed 13 of them in suitable jobs. Two other offices were referring only veterans determined by VA to be extremely difficult to place. As of January 1992, contractors for these two offices had placed 7 of the 32 referred veterans in suitable jobs.[4]

The fourth office had referred no veterans to contractors for employment services. We could not determine the level of contracting for employment services at the VA offices we did not visit because VA did not keep summary data on the number of contracts for employment services.

Conclusions

VA needs to emphasize providing disabled veterans with employment services. Finding jobs in a tight labor market can be difficult, but VA should implement procedures that give disabled veterans the best chance for success. These can include implementing the August 1992 procedures on employment assistance, requiring counselors and rehabilitation specialists to have training or work experience in employment assistance, and establishing effective working arrangements with agencies offering job searches, such as the Department of Labor.

[4]Under the terms of the contracts, the contractors are paid only for veterans who are placed in suitable jobs.

Recommendations

We recommend that the Secretary of Veterans Affairs

- implement the requirements of the 1980 amendments related to finding and maintaining suitable employment for disabled veterans and
- take the lead in developing more effective working arrangements with the Department of Labor, state rehabilitation agencies, and private contractors for providing job placement services to disabled veterans.

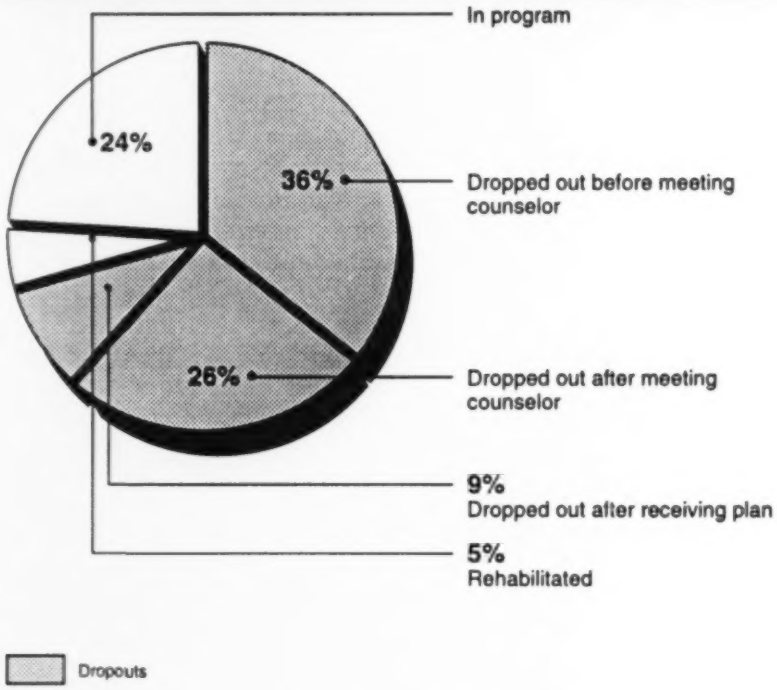
VA Does Not Know Why the Vast Majority of Veterans Drop Out of the Program

During the period we examined—October 1983-February 1991—thousands of disabled veterans dropped out of the program before obtaining suitable employment. VA does not know why these veterans did not complete the program. The absence of adequate information on why so many veterans drop out prevents VA from identifying problems with its program policies or processes and from developing solutions to correct problems that are identified.

Most Applicants Do Not Complete the Program

More than 142,000 veterans (71 percent) of the approximately 202,000 veterans who were found to be eligible for the vocational rehabilitation program services between October 1, 1983, and February, 28, 1991, dropped out before obtaining suitable employment. (See figure 3.1.)

Figure 3.1: What Happened to Veterans Who Were Found Eligible for VA's Vocational Rehabilitation Program or Who Dropped Out Before Their Eligibility Could Be Determined?



Source: VA's computerized data system October 1, 1983-February 28, 1991.

An additional 74,500 veterans applied for vocational rehabilitation services but were found ineligible for various reasons. These included not having a service-connected disability or having a disability that did not cause them to have an employment handicap as determined by VA.

VA Does Not Collect Sufficient Data on Why Veterans Drop Out of the Program

VA uses data from its computer system to compile and analyze reasons for dropouts and identify systematic problems. But the dropout reasons recorded in the system are of little value in identifying the real causes for or helping resolve the dropout problem, as VA officials acknowledged.

The primary dropout reasons shown are vague. For example, most dropouts are recorded as "nonpursuit—veteran declines services," and "veteran discontinued services." Neither of these substantively explain why the veteran really left the program, nor do they allow for any meaningful analysis to identify systemic causes for the dropouts and what VA could do to keep more veterans in the program.

Many veterans may not be interested in the program, VA officials at four field offices told us. Some veterans complete applications as a result of encouragement from veterans' service organizations rather than from a desire or need to enter the program, officials noted. Although they could not furnish evidence to support their claim, the VA officials believe these organizations refer both eligible and ineligible veterans to keep their statistics on services to veterans at a high level.

Most Veterans' Case Files Do Not Contain Specific Data on Why Veterans Drop Out

Our review of 80 case files of disabled veterans who dropped out (20 cases in each of four field offices) showed that only 25 contained specific data as to why the veterans dropped out. Ten left for financial reasons, most stating that they had to quit training to obtain a job. Eight left because of medical problems, often indicating that they could not continue their program because of worsening physical or mental conditions. Two veterans (both with a 100-percent disability) indicated that they were dropping out because they were satisfied with their current disability incomes and did not want to spend time in training. Five veterans dropped out for other reasons.

Forty-five[1] of the 80 files either did not cite a reason for the veteran dropping out or listed a nonspecific reason, such as that the veteran did

[1]The remaining 10 files should not have appeared in our sample. Although VA's system showed them as dropouts, nine veterans were still in the program and one had been rehabilitated, according to the case files.

not initiate services. Also, little in the case files indicated that the counselors or rehabilitation specialists had attempted to find out why these veterans dropped out.

The two primary reasons (financial and medical) for dropping out that were recorded in the case files were recorded in VA's system under the "nonpursuit—veteran declines services" reason code. Following are examples from these cases:

- A 100-percent disabled veteran who had completed 13 months of a 24-month program to become an electronics technician dropped out of the program and obtained a job in a manufacturing plant because "everything [financially] was piling up" on him.
- An amputee (70-percent disability), training to be a polygraph operator, interrupted training due to problems with his prothesis. Because he did not reapply for classes the following quarter, VA discontinued him from the program, but the case file contains no additional information about his medical problem.

VA's Attempts to Determine Why Veterans Drop Out of the Program Have Been Minimal

No special efforts had been made to identify key reasons why many veterans drop out of the program, according to officials at VA's central office and three of the field offices that we visited. Some vocational rehabilitation field office directors advised us that they had instructed their counselors to discuss the veteran's financial situation during evaluation and planning meetings, as required by the VA procedures manual. But we observed from our case file reviews that this was not the practice at three of the four offices we visited.

Proper assessment of a veteran's ability and identification of potential problems that could interfere with his/her progress in the program are keys to successful completion of a rehabilitation program, according to the vocational rehabilitation director at one field office. This director had identified financial problems as a key reason for veterans not completing their programs. Accordingly, he had directed that his counselors address financial planning with all veterans in their initial counseling sessions. In fact, this office generally included assessment of the veteran's financial situation as one of three objectives in the veteran's rehabilitation plan. In addition to increasing the counselor's awareness of the veteran's financial situation, this practice helps the counselor identify the best rehabilitation plan for the veteran, including work study programs, shorter training programs, or an employment assistance plan. Since this office

implemented such procedures in 1985, it has realized one of the highest percentage increases in the number of successful rehabilitations of any of the field offices.

Vocational rehabilitation field office directors also are required by VA's central office to periodically assess counselors and vocational rehabilitation specialists' performance by reviewing a sample of veterans' case files. The field directors at the four offices we visited said that these periodic reviews help them keep abreast of reasons for dropouts, assuming that the file contains specific reasons. However, except at the one office, we found no evidence that these reviews had prompted the directors to implement formal procedures to identify potential problems that could interfere with the veteran's ability to successfully complete the program.

Conclusions

VA does not know why most veterans drop out of the vocational rehabilitation program. Some veterans undoubtedly leave for reasons beyond VA's control, but possibly other dropouts could have been prevented through changes in program operations. By accumulating and analyzing meaningful information on why veterans drop out, VA could more appropriately counsel future veteran applicants about their options and/or help develop plans that would give them a greater opportunity for successful completion. Meaningful data on dropouts also is needed because it is both time-consuming and costly to VA to process thousands of applications each year and, in many cases, develop rehabilitation plans, only to have so many veterans drop out of the program.

Recommendations

We recommend that the Secretary of Veterans Affairs

- determine why so many disabled veterans drop out before successfully completing the vocational rehabilitation program and
- take action aimed at reducing the number of dropouts and increasing the number who are successfully rehabilitated.

VA Standards for Measuring Service to Veterans Need to Be Improved

In 1989, VA's central office instituted a systematic approach to monitoring and assessing the performance of the vocational rehabilitation program at its field offices and on a national level. Under this approach, VA established performance standards to measure timeliness for processing veterans through the applicant phase, effectiveness in placing veterans in suitable jobs, and quality of service to veterans under the vocational rehabilitation program.

VA's system for establishing performance standards is not very helpful in assessing the program's progress and outcomes. Essentially, VA uses the actual performance during one year as the standards for the following year. Also, the effectiveness standard does not consider all program participants in measuring the program's effectiveness. Nor have standards been established in some program areas where state rehabilitation programs have them. VA should consider benchmarking its performance under the vocational rehabilitation program. Benchmarking performance would help ensure that service to veterans continually improves and progress toward achieving program objectives is accurately measured.

Timeliness Standards for Processing Veterans

VA established standards for the application phase to assess its timeliness in getting the veteran an initial meeting with a program counselor. The timeliness standard for applicant status does not challenge VA field offices to continually improve services to veterans because one year's actual performance becomes the next year's performance standard. Moreover, unlike some state rehabilitation agencies, VA has not established timeliness standards for other phases of the program or for processing veterans through the entire program.

Timeliness Standard for Applicant Status Unrealistic

In 1990, VA's national average of 94 days from receipt of a veteran's application to the veteran's first meeting with a VA counselor was 1 day under VA's standard of 95 days. Thus, it appears that VA was timely in holding initial meetings with program applicants. However, VA and state rehabilitation officials and private rehabilitation experts acknowledge that 95 days, on the average, is much too long for a veteran to wait to meet with a counselor.

The Program Director, in testimony before a congressional subcommittee in June 1987,[1] said that 3 months for a veteran to wait for the first interview

[1]Subcommittee on Compensation, Pension, and Insurance, Committee on Veterans' Affairs, House of Representatives, June 24, 1987.

is "excessive" and that such a wait is likely to reduce program participation. A reasonable waiting period would be about 30 days, he testified. VA records, however, indicate that between October 1983 and February 1991 fewer than 20 percent of veterans had their first meeting with a counselor within 30 days.

In testimony before a House subcommittee in May 1988,[2] the President of the American Rehabilitation Counseling Association said that delays affect the applicant's level of motivation and morale. He also noted that the longer a disabled individual waits to receive services, the more difficult it is to rehabilitate that individual. Officials in the four state rehabilitation agencies stressed the importance of having initial contact with the client within 30 days.

Timeliness Standards Absent for Some Phases of the Program

VA has not established timeliness standards for the evaluation and planning and the employment training phases, or for completion of the entire program. The absence of timeliness standards in some phases of the program causes VA staff to focus attention on a phase for which such a standard does exist at the expense of providing timely services in areas where standards do not exist. For example, in efforts to decrease the time a veteran spends in the application phase, three of the four field offices had implemented special intake procedures. Two offices held group meetings for up to 30 applicants, and the third office had an intake person meet with each applicant. In all three situations, the veterans received information about the program, took certain aptitude, skills, and interest tests, and were scheduled to meet with a counselor on some future date. After attending the group meeting or meeting with the special intake person, the veteran's status was changed from the applicant phase to the evaluation and planning phase.

No timeliness standards have been established, nor has VA produced summary data on the average time veterans spend in the evaluation and planning and training phases or to complete the entire program. Therefore, neither we nor VA could determine whether VA's efforts to reduce time in applicant status reduced the veteran's total time in the program, shifted time from one phase of the program to another, or lengthened the veteran's overall stay in the program.

[2]Subcommittee on Education, Training and Employment, Committee on Veterans' Affairs, House of Representatives, May 11, 1988.

Of the four state rehabilitation agencies we visited, three had established interim time frames for processing clients through the program. For example, one agency had goals of meeting with the client within 30 days, completing and executing the rehabilitation plan within 6 months, and completing the training program within 30 months. Mainly because of the varying lengths of training programs, some clients require more than 30 months and others less, according to state officials. But the mere presence of an overall timeliness goal helps them to maintain a focus on and better serve the client, they said.

Effectiveness Standards for Measuring Program Success

VA measures the effectiveness of its program against its goals of placing at least 65 percent of the veterans who complete the employment services phase in a suitable job within 265 days. The goal of placing only 65 percent of those that do reach employment services reflects VA's past performance and offers little challenge to VA program staff. In 1990, 73 percent of the veterans in employment services were placed in suitable jobs, according to VA's records.

One of the state rehabilitation agencies we visited had established an effectiveness standard for its program. This agency's goal is to place 85 percent of all clients who receive a rehabilitation plan into a substantial job. Measuring a program's effectiveness by the number of clients who receive a rehabilitation plan is more meaningful than basing it on only veterans who complete the employment services phase within 265 days. Using this state's criteria, VA would have had an 18-percent effectiveness rate for the period from October 1983-February 1991.

Quality Standards for Program Operations

VA bases its quality standard for field office operations on average program performance in a base year. To assess the counselor's and rehabilitation specialist's decisions, each Vocational Rehabilitation and Counseling Officer reviews a sample of case files in their offices. The officer evaluates the quality of the professional decisions in such areas as determining a veteran's eligibility, identifying an employment handicap, and creating a rehabilitation plan.

In 1990, about 90 percent of the field offices met or exceeded VA quality efforts accomplished in the base year. Thus, judging by VA-reported data, it appears that most field offices generally are making appropriate decisions regarding the provision of rehabilitation services to veterans. However, as discussed in chapter 2, when providing services to veterans, VA's

professional staff do not focus on the program's ultimate objective of helping the veteran obtain and maintain suitable employment.

VA Should Consider Benchmarking Performance

VA uses standards to measure how long it takes to process veterans through certain phases of the vocational rehabilitation program, ascertain how many veterans obtain suitable employment within a specified number of days, and assess the quality of decisions made by counselors and rehabilitation specialists. Although standards, if properly established and implemented, can be useful in measuring certain elements of a program's effectiveness, they are of limited usefulness if they are not realistic, too rigid, and not frequently updated to challenge the staff.

Benchmarking performance under the vocational rehabilitation program is a better way of ensuring that services to veterans continually improve and that progress toward achieving the goals of the program is accurately measured in a timely manner. Benchmarking, by definition, is a process used to identify the best practices from industry and government to continually improve the services provided to clients. Benchmarks are continually reviewed and updated. A benchmark can be a performance standard for any one year or a number of years.

Using benchmarks to measure performance offers the ability to make an overall assessment of the program as well as to improve individual processes. For example, instead of setting rigid standards that simply reflect VA's past level of performance in providing services to veterans, a benchmark could be developed to determine the satisfaction level of veterans who receive vocational rehabilitation services. As the veterans' level of satisfaction with services provided is the real test of how the program is operating, benchmarks then could be set to improve the services provided. At the same time, benchmarks could be set to improve individual processes, such as a benchmark for timeliness in processing applications. As ways are identified to shorten the processing time, the latter benchmark then could be gradually lowered.

Conclusions

Overall program success cannot be measured with the current VA standards for timeliness, effectiveness, or quality. For all phases of the program, timeliness standards should be set at a level that would help VA identify ways to improve services to veterans and not just duplicate past performance. Effectiveness and quality standards should cover all veterans in the program, including the many who drop out, and be

continually updated to challenge VA to improve services. Benchmarking performance should, however, allow program managers to better identify problems and continually change the program to improve services. Overall, VA's lack of emphasis on finding jobs for veterans, failure to understand why so many veterans drop out or apply when they are not eligible for program services, and the need for a better system for measuring program success indicate that the quality of field office services to veterans should be improved.

Recommendations

We recommend that the Secretary of Veterans Affairs review the performance standards established for the vocational rehabilitation program and determine whether services to the veterans can be improved by establishing a realistic performance measurement system, such as benchmarking, that clearly focuses on the program's objectives and continually measures progress toward achieving them.

Major Contributors to This Report

Human Resources Division, Washington, D.C.	James F. Walsh, Assistant Director, (202) 512-7219 William A. Hightower, Assignment Manager Sharon L. Washington, Evaluator Wayne M. Dow, Senior Program Analyst Charmaine Marshall, Secretary
Atlanta Regional Office	Charles R. Taylor, Evaluator-in-Charge Jodi A. McDade, Evaluator Amanda S. Cooksey, Evaluator Bonnie Wrenn, Evaluator

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